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THE COMMERCIAL LEGISLATION OF ENGLAND
AND THE AMERICAN COLONIES,
1660-1760.*

WITH the impressive rhetoric of which he was a master, Adam Smith, in the very year of the Declaration of Independence, thus passed judgment upon the system of control which for more than a century England had exercised over the economic activity of her colonies:

To prohibit a great people from making all that they can of every part of their own produce, or from employing their stock and their industry in the way that they judge most advantageous to themselves, is a manifest violation of the most sacred rights of mankind.

Some such opinion has probably been expressed or implied by nearly every writer on the subject from that time to this. A period in which, to begin with, the old colonial system was apparently discredited by its failure, and in which, soon afterwards, all the dominant forces

* A lecture before the University of Oxford, February 4, 1899.

in political society began to tend towards emancipation, towards liberation from restraint, was not an age in which Adam Smith's summary appeal to "the most sacred rights of mankind" was likely to be seriously called in question: nor shall I seek to controvert it to-day. But, starting from such a preconception, it has seemed to many a natural inference,—though, as we shall see, Adam Smith took care not to draw it,—that so seemingly manifest an iniquity must have been actually hurtful to those who were subjected to it; that what was mistaken in principle must have been mischievous in operation. We cannot be surprised that the first generation of American historians should think so; writing, as they did, before the passions provoked by the great struggle had had time to subside. Thus Bancroft did not hesitate to pronounce "the effects of this system" "baleful"; and he proceeded to justify this statement by an argument which was designed to show that it robbed the colonists in two ways: it compelled them to pay more than their "fair value" for the commodities they imported, and to accept less than their "fair value" for the commodities they sold. But a like opinion is not confined to American historians: it has come to be very generally accepted by English writers; and upon its side it has the authority of the most painstaking and the most widely read of the historians of the eighteenth century,—the judicious Mr. Lecky himself. In two well-known passages in his second and fourth volumes, Mr. Lecky leaves no doubt as to his conviction. Though "the country"—*i.e.*, the American colonies—"was," he says, "growing rapidly richer," yet "its progress was seriously retarded," and "many of its natural capacities were paralyzed by law." "It is," he elsewhere remarks, "undoubtedly true that the commercial policy of England had established a real opposition of interest between the mother country and her colonies." If so, it would have demanded an unwholesome degree of patience

for the Americans to have submitted with cheerfulness. Commerce must, in the words of Bancroft, have been "converted into a source of rankling hostility"; in the more subdued language of Mr. Lecky, "political alienation" could not have failed to be "the inevitable consequence." Mr. Lecky's philosophy of the American Revolution is, therefore, this,—though the passage is almost too familiar for quotation:

If the policy which was the proximate cause of the American Revolution was chiefly due to the king and to the landed gentry, the ultimate cause may be mainly traced to the great influence which the commercial classes possessed in British legislation. The expulsion of the French from Canada made it possible for the Americans to dispense with English protection. The commercial restrictions alone made it their interest to do so.

I propose to set forth what seem to me adequate reasons for believing that this view of the case is altogether mistaken; that, whatever may have been the objects it had in view,—and these objects, I shall not attempt to deny, were largely selfish,—the policy of England was not, as a matter of fact, economically disadvantageous; that, on the contrary, it was beneficial to the American colonies. Adam Smith's principle of natural rights I shall leave untouched. I shall not even criticise the short and easy syllogism which involves the colonial policy in the same condemnation with mercantilism. Yet I cannot but anticipate that a more accurate knowledge of the facts of the case may put us into a better position to deal fairly even with these ultimate questions of political principle and economic theory.

The laws of England, affecting the trade and industry of the American colonies, fall, with one notable exception to be dealt with by and by, into three groups; and it is essential to bear in mind the differences between them. There were, in the first place, the *Navigation Laws* proper; in the second place, what we may conven-

iently christen the *Enumeration Laws*; and, lastly, and as we shall see, of far less significance, the *Laws concerning Manufacture*. We will look at them in this order.

I. The act of 1660,—directed, as we all know, primarily against the Dutch, who seemed likely to monopolize the carrying trade of the world,—enacted that no commodities should be imported into or exported from any British plantation in Asia, Africa, or America, except in British ships. “British,” I use for the sake of brevity. The phraseology of the act was more cumbrous: it was, “Ships which truly . . . belong only to the people of England or Ireland, Dominion of Wales or town of Berwicke upon Tweede,” or “are of the built of, and belonging to any of the said . . . Plantations or Territories . . . and whereof the Master and three fourths of the Mariners at least are English.” Students of the history of the period need hardly be told, though the earlier American historians and some English historians have occasionally forgotten, that the word “English” included all subjects of the English crown, and, therefore, the colonists. If there were any doubt, it would be removed by an early act of Charles II.* It would be correct, then, to say that by this act a monopoly of the “English” colonial trade was given to “English” ships; but, to avoid ambiguity, it may be well to keep “English” for the island and “British” for the empire.

That this restriction was felt as a grievance at first by the Virginians, who had, for some years past, put large quantities of their tobacco on board Dutch ships, and that

*1662. 14 Car. II., c. 11, § 5. “Whereas it is required by the said Act”—the Navigation Act of 1660—“that in sundry cases the Master and three fourths of the Mariners are to be English, it is to be understood that any of His Majesty’s Subjects of England, Ireland and His Plantations are to be accounted English and no others.” The same clause also enacted that “no Forreign built ship (that is to say) not built in any of His Majesty’s Dominions of Asia, Africa or America or other than such as shall be bought before Oct. 1, 1662, shall enjoy the privilege of a ship belonging to England or Ireland, although owned and manned by English.”

it created some annoyance here and there in other colonies, cannot be doubted; just as that other clause of the act which prevented the importation of any commodities into England from other European countries, except in British ships or in ships of the producing country, sent up the cost of freight and caused some temporary irritation among English traders. Adam Smith justly observes that these clauses "were not favorable to foreign commerce, or to the growth of that opulence which can arise from it": he omitted to explain that this need only be true for a comparatively short period after the passage of the act. We might be content to share his position that, even if the law were economically disadvantageous both to England and the colonies, it was nevertheless wise, on the ground that "defence is of much more importance than opulence." But, for the colonies at any rate, we are not shut up to this non-economic consideration. It is certain that under the operation of the act ship-building soon became the chief industry of New England. In less than twenty years New England ships began to be sold in Old England. During the next few decades the business sprang up in every town along the New England coast and in many a riverside village for miles inland. About 1720 Massachusetts alone launched 150 ships a year; and in 1724 the master-builders of the Thames complained to Parliament that they were seriously injured by colonial competition, and prayed for protection. In view of the language which Franklin got into the habit of using in his later years about "the interest of all America" being "lightly estimated" in England "when the interests of a few of the inhabitants of Great Britain happened to have the smallest competition with it," it may be worth noticing that the request of the Thames ship-builders was not granted. In New England timber was cheap and easily accessible; and it may be plausibly conjectured that, even

without any such protection for colonial-built shipping as the act afforded, these advantages would have enabled the colonists after a time to compete with the Dutch, who had to fetch their ship timber from the Baltic. But when we recall Child's lamentations over the inferiority of English ships in point of construction and ease of navigation, and the much lower freight rates which the Dutch were able to offer for this and other reasons, it certainly seems very probable that, but for some such forcible exclusion of foreign ships, the development of New England ship-building would have been retarded by half a century or more. Accordingly, the younger generation of American historians are beginning to point out that a much larger place must be assigned to this industry in the economic history of the American people than has hitherto been customary; and, further, to assert, in the words of a Harvard colleague of mine, that "the restriction of trade to English and colonial vessels" actually "stimulated ship-building and the shipping interest in the colonies."* The complaints of the Virginian planters soon died away. English-built and colonial-built shipping competed for the privilege of carrying their tobacco, and they were too obviously prosperous to be effective grumblers.

To this immediately economic consideration we may add two others of a mixed political and economic character. The one is that the rapid expansion of American commerce, carried on, as we have seen, largely in American-built ships, took place,—and under the circumstances of the time could only take place,—beneath the protection of the English naval power. To the direct support of this power the colonies contributed only to an inappreciable extent, by grudgingly furnishing a few masts for the navy.† This fact can be disregarded only by one who supposes that the colonies could have stood alone, and

* A. B. Hart, *Formation of the Union*, p. 46.

† E. L. Lord, *Industrial Experiments in the British Colonies of North America*, pp. 105-123.

who does not also remember that colonial hopes and fears contributed in no small degree to involve England in each of the great wars of the period.

The other consideration is that colonial enterprise largely benefited by the opportunities opened to it by the naval successes of the mother country. A recent American historian, unsympathetic towards the colonial system, but acquainted with the details of American business, observes, in passing, that, "Whenever a political change in the foreign relations of England opened a port, or admitted commerce with any country, it quickened the commercial movement along the whole New England line." *

II. Now we pass to the *enumerating* enactments. The statute of 1660 forbade the exportation from the colonies to any country save England and the other plantations of certain enumerated articles,—whence the term; namely, ginger, sugar, tobacco, cotton wool, indigo, fustic, and other dyeing woods. The list sounds a formidable one; but the only commodity among them produced in any quantity by the American continental colonies was tobacco, the staple product of Virginia, and later of Maryland also. Rice, which began to be raised in the Carolinas towards the end of the century, was added to the list in 1706, together with the group of articles known as "naval stores"; and copper and beaver skins were inserted in 1722.

None of the staple articles of the trade of New England were ever enumerated during the century 1660–1770,—neither fish, nor vessels, nor timber,† nor rum; and during the whole of the period before us they could be carried wherever a market might be found.

The historical order of enumeration is also the order of

* W. B. Weedon, *Economic and Social History of New England*, ii. 643; referring more particularly to the second quarter of the eighteenth century.

† Except masts and bowsprits after 1706.

importance; but it will be convenient to take it backwards, and so get the insignificant articles out of our way. By 1722 the fur trade of the English colonies, which had for some time been practically confined to the province of New York, had almost come to an end. For quite sufficient geographical reasons, it had passed into the hands of the French of Canada. The "Enumeration" was grumbled at, of course; but it was accompanied by a reduction to one-third of the duties levied on importation into England: and neither restriction nor favor had any substantial effect on a branch of trade bound speedily to disappear. The enumeration of copper was intended for the benefit of the navy. It was suggested by certain wildly exaggerated reports of mineral discoveries; but hardly any copper was mined in America until the present century.

The case of rice calls for more notice. In consequence of its enumeration in 1706, Carolina lost for a time a great part of the Portuguese market, which had been recently carrying off one-fifth of the total output. In 1730, however, the English Parliament so far relaxed the restriction as to allow of rice being shipped directly to any country south of Cape Finisterre. Henceforth, in an average year, Carolina exported some 50,000 barrels. Of these 10,000 went direct to Portugal. Spain and the other Mediterranean countries seem to have been supplied by an inferior Turkish article, while France excluded British rice altogether except on rare occasions. The other 40,000 barrels were taken to England, but only some 3,000 of them were there consumed. The rest were re-exported, with a drawback of the duty paid, to Holland and North Germany. The questions raised by this transshipment will be considered in dealing with tobacco. It is evident that during the years 1706 to 1730 the demand for rice was somewhat interfered with; but we may so far anticipate our subsequent argument as to venture the assertion

that after that date even complete freedom could hardly have secured a larger European demand than was actually enjoyed.

Naval stores we will postpone till we come to the matter of bounties; and so now we reach tobacco, which was the foundation of the social system of the Southern provinces, and formed one-half of all the colonial exports. From 1660 onwards, all the tobacco of Virginia and Maryland sent to Europe had first to be carried to England. But this did not mean that it stayed there. On re-exportation, sometimes the whole, sometimes very nearly the whole, of the import duty was repaid as a "drawback"; and the proportion of the crop re-exported to other European countries was between two-thirds and four-fifths. Thus the enactment, though obviously designed to put profit into the hands of English merchants acting as middlemen, did not by any means shut the American planter out of the European market; at most, it involved some additional freight charges. Even if so,—though the incidence of freight is as tangled a subject as the incidence of taxation,—I imagine the burden would have been borne to some extent by the continental consumer. But, when we see where the foreign market was to be found, we may well doubt whether any cheaper method of doing business with the European continent would have been likely to grow up, even under conditions of absolute liberty. The Mediterranean was supplied with Turkish tobacco; Spain and Portugal only admitted the tobaccos of their own colonies; and accordingly American tobacco could expect to find a market only in Northern and Central Europe. But, as is remarked in an almost forgotten early work of Lord Brougham, the mother country was constituted by her very situation the natural entrepôt between America and the whole of this area. Brougham's *Inquiry into the Colonial Policy of the European Powers* appeared in 1803; too early for its

criticisms of Adam Smith to secure the attention they deserved. Do not forget that even if American ships could have gone direct to Hamburg, and had been permitted to ship German commodities,—which they were not,—they would have found it hard to secure a return cargo. Woollen cloth, the chief article imported from Europe, they could not have got more cheaply than in England; for English cloth was at this very time flooding the German market just because it was cheaper. From the French ports, it is true, they might have obtained cheaper silks. But, on the whole, we can have little doubt that the differentiation of employments, by which the planters in Virginia, Maryland, and the Carolinas undertook the production of tobacco and rice, and English merchants found a market for them at home and abroad, was advantageous to both parties. The Enumeration probably only hastened the introduction, and somewhat stiffened the outlines, of a method of doing business which would have grown up in any case. As Brougham says, “The restrictive policy . . . only secured, by a superfluous and harmless anxiety, that arrangement which would of itself have taken place, if things had been left to their natural course.”

Grant, however, the bare possibility that the interests of the tobacco colonies may have been injured to some trifling extent by the Enumeration, we have now to set against it two weighty considerations: first, that from the year 1660 onwards the growth of tobacco in England was absolutely prohibited. The main motive of this measure was probably fiscal: a duty at the ports was easier to collect than an excise. But the act also put forward as a reason the desirability of leaving the business to the colonies. That this was a secondary motive is no reason for doubting that it was a genuine contributory motive. Writers like Bancroft used to ridicule the notion that the suppression of tobacco-raising in England could be re-

garded as in any degree an offset to the Enumeration. But, had they lived to know of the modern German crop of tobacco, or had they been acquainted with what was actually going on in the seventeenth century in England, they would hardly have spoken so contemptuously. In fact, the cultivation of tobacco was spreading very rapidly during the Protectorate, especially in the west-midland counties; and it was put a stop to only by vigorous measures on the part of the executive. And, moreover, as if it were not enough that the Englishman should be prevented from smoking home-grown tobacco, grave obstacles were put in the way of his smoking Spanish tobacco. Duties were levied upon it three times as high as upon American; so that the latter almost monopolized the English market. The conclusion is not susceptible of exact proof; but surely there is a high degree of probability in the assertion that a proposal to establish freedom all round would not have been welcome to the Virginian planter.

The vitality of an historical grievance when once it is sent forth into the world is illustrated by the circumstance that even the careful investigator from whom I have drawn many of the foregoing facts is still inclined to think that Enumeration contributed, though "but slightly," to the sharp fall in the price of tobacco during the first half of the period before us;* the main cause being, evidently, as he points out, overproduction. With this let us compare the diametrically opposite opinion expressed in the *Wealth of Nations*:

"Had France and all other European countries been at all times allowed a free trade to Maryland and Virginia, the tobacco of those colonies might by this time have come cheaper than it actually does, not only to all those other countries, but likewise to England. The produce of tobacco, in consequence of a market so much more exten-

* G. L. Beer, *The Commercial Policy of England towards the American Colonies*, p. 51.

sive than it has hitherto enjoyed," [we have seen that this is exceedingly dubious,] "might, and probably would by this time, have been so much increased as to reduce the profits of a tobacco plantation to their natural level with those of a corn plantation, which it is supposed they are still somewhat above. The price of tobacco might, and probably would by this time, have fallen somewhat lower than it is at present."

The planters had the sense soon to leave off grumbling at the Enumeration. If they had continued to be dissatisfied, it would have been but cold comfort they would have got from Adam Smith.

With the Enumeration of certain exported commodities, we may conveniently consider the limitation put upon the business of importation into the colonies by a statute of 1663, which enacted that all commodities of the growth or manufacture of Europe should be shipped in England and in British bottoms. The avowed intention was to make England the "staple" for the plantations, and so to secure to English merchants the profits of intermediaries. But, if the preceding argument is sound as to England's position as entrepôt for colonial products, it is equally sound with regard to the supply of European wares. Ships unloading in England and getting a return cargo mainly of English commodities would, economically enough, fill up what space remained in their holds with such European commodities as were in demand. The whole of the English import duty on these commodities was returned as a drawback; and, as the duties imposed by the colonial governments themselves were light,* "many different sorts of foreign goods" — it is Adam Smith who assures us — "might have been bought cheaper in the plantations than in the mother country." So far was the English government from pursuing, in this matter, either its fiscal interest or the immediate advantage of English-

*The subject of Colonial Tariffs is worked out by W. Hill in this Quarterly, vii. 78 seq.

men, that the same great writer actually criticises its policy on the ground that it was likely to be injurious to both. Thus he remarks:

The mother country might frequently suffer, both in her revenue, by giving back a great part of the duties which had been paid upon the importation of such goods, and in her manufactures, by being undersold in the colony market in consequence of the easy terms upon which foreign manufactures could be carried thither by means of these drawbacks.

And he gives a specific example:

The progress of the linen manufacture of Great Britain, it is commonly said, has been a good deal retarded by the drawbacks upon the re-exportation of German linen to the American colonies.

III. The third class of restrictions, those upon *manufactures*, have lent themselves even more easily to rhetorical denunciation, though their effect, I believe, was altogether insignificant. Let us see, first, exactly what they were, and notice the dates in each instance. There were just three cases. In 1699 it was enacted that no wool, yarn, or woollen cloth produced in the English plantations should be "loaden or laid on board in any ship or vessel; or loaden upon any horse, cart, or other carriage, to the intent and purpose to be exported, transported, carried, or conveyed out of the said English plantations to any other of the said plantations, or to any other place whatsoever."* The object was to prevent all manufacture for a distant market, while not interfering with manufacture within the family, or for purely local needs. In 1732 it was enacted that no hats should be exported to England, Europe, or other colonies; manufacture for sale within each particular colony was again left free, except that it was now placed under the same

* 10 & 11 W. III., c. 10, § xix. Mr. Weeden (*op. cit.* p. 388), not observing that "to any other place" is conditioned by "out of the plantations," gives a very misleading impression of the purpose of the act. He was probably misled by the loosely-worded account of the act in Adam Smith, Bk. IV. ch. vii.

rules of apprenticeship as English hatters were subject to, under the statute of Elizabeth. Finally, in 1750,—almost at the end of the period,—it was enacted that no steel furnaces or slit mills should be erected in the colony, the country forges which made bolts and nails and common farm implements remaining untouched.

We are not now engaged, I would remind you, in passing judgment on the motives of the framers of these acts, or of the English manufacturers who petitioned for them. Our sole task is to determine what significance, if any, they possess in the economic development of America. Two questions at once occur: to what extent had the industries in question been actually set on foot before the acts? and how far were the acts obeyed? Unfortunately, our evidence is conflicting. The great woollen interest of England, which supplied more than half the exports to the colonies, was easily alarmed. The idea soon gained currency that the way to prevent the colonists from interfering with the vent of English cloth was to turn their attention towards the production of naval stores. Thereupon, all those persons in England and America who anticipated some advantage to themselves if the government would only subsidize the production of naval stores, were tempted to join in the cry of danger. Governors' reports are hardly more trustworthy: they often know but little of their provinces outside the chief towns; and either they wanted to insure the vote of their salaries by keeping on good terms with their assemblies, and were therefore inclined to pooh-pooh English alarms, or they were at feud with their assemblies and saw everything colonial through clouded spectacles. So, as "the historical method" is risky here by itself, let us have recourse to a little "deduction" from the principle of self-interest. There is a celebrated pamphlet, known as *The Canada Pamphlet*, which Benjamin Franklin wrote in 1760, when he wanted to persuade the English public that it

would be better to retain Canada than Guadaloupe among the spoils of war. In this he roundly asserted that hitherto the English manufacturers' monopoly of the colonial market had not been seriously threatened, since

No man who can have a piece of land of his own, sufficient by his labour to subsist his family in plenty, is poor enough to be a manufacturer and work for a master. Hence, while there is land enough in America for our people, there can never be manufactures to any amount or value.

And again :

Pennsylvania is the colony the most suspected of carrying on manufactures, on account of the number of German artisans who are known to have transplanted themselves into that country, though even these, in truth, when they come there, generally apply themselves to agriculture as the surest support and most advantageous employment.

And once more :

The colonies are so little suited for the establishing of manufactures that they are continually losing the few branches they accidentally gain. The working braziers, cutlers, and pewterers, as well as hatters, who have happened to go over from time to time and settle in the colonies, gradually drop the working part of their business, and import their respective goods from England, whence they can have them cheaper and better than they can make them. They continue their shops, indeed, in the same way of dealing ; but become sellers of braziers, cutlery, pewter, hats, etc., brought from England, instead of being makers of those goods.

It will have been noticed that Franklin, like other economic writers, passes unconsciously to and fro between deductive argument and historical statement. He not only argues that the inhabitants of the colonies would follow their self-interest, and therefore pursue agriculture rather than manufactures : he asserts that as a matter of fact that is what they did. As a man of the people and as Agent for Pennsylvania, Franklin must have been acquainted with the facts. A few years later, indeed,

he was writing pamphlets which gave at any rate a different impression ; but we can hardly think so meanly of him as to suppose this argument of 1760 an altogether baseless invention.

Adam Smith had probably read or heard about this pamphlet. At any rate, it is exactly in the same strain that he expresses himself. In one place he asserts that

In our North American colonies, where uncultivated land is still to be had upon easy terms, no manufactures for distant sale have ever yet been established in any of their towns. When an artificer has acquired a little more stock than is necessary for carrying on his own business in supplying the neighboring country, he does not, in North America, attempt to establish with it a manufacture for more distant sale, but employs it in the purchase and improvement of uncultivated land. From artificer he becomes planter; and neither the large wages nor the easy subsistence which that country affords to artificers can bribe him rather to work for other people than for himself. He feels that an artificer is the servant of his customers, from whom he derives his subsistence; but that a planter who cultivates his own land and derives his necessary subsistence from the labour of his own family is really a master, and independent of all the world.

The other passage comes to the same conclusion for a different reason. Immediately after the remarks about the "sacred rights of mankind" already quoted, he continues thus: "Unjust, however, as such prohibitions may be they have not hitherto been very hurtful to the colonies." Readers unacquainted with Adam Smith's modes of thought may not suspect that "not very hurtful" is his Scotch, cautious way of saying "not hurtful at all." For he goes on :

Land is still so cheap, and, consequently, labour so dear among them, that they can import from the mother country almost all the more refined or more advanced manufactures cheaper than they could make them for themselves. Though they had not, therefore, been prohibited from establishing such manufactures, yet, in their present state of improvement, a regard to their own interest would probably have prevented them from doing so. . . . Those prohibitions, perhaps,

without cramping their industry or restraining it from any employment to which it would have gone of its own accord, are only impertinent badges of slavery imposed upon them, without any sufficient reason, by the groundless jealousy of the merchants and manufacturers of the mother country.

This is a passage which heightens one's respect for Adam Smith. He is so bent upon crying, "Edward! chains and slavery!" And yet he has the scientific conscience.

When now we come to look into the evidence concerning the particular industries, it is found to harmonize pretty well with the conclusions of Franklin and Smith. In the southern colonies no manufactures were ever attempted, except the production of pig iron: the commonest and cheapest articles of daily use were all imported from the Old Country. It was Pennsylvania, New York, and New England which aroused the jealous fears of English merchants and artisans. The climate of New England is not at all suitable for sheep-breeding, and the transportation of wool from the middle colonies was expensive. Nevertheless, both in New England and in the middle colonies, some attempts were made here and there by small capitalists to play the part of English clothiers. This was in the closing years of the seventeenth century and the opening years of the eighteenth. They soon abandoned the business; not on account of the prohibition, but because the conditions became more favorable for other investments. The colonies evidently had had some difficulty at first in obtaining "returns," to use the language of the period, for the goods they wished to import; and for a time they had, perhaps, to go rather short of the finer fabrics. But in the years of peace which followed the great settlement at Utrecht, in 1715, what with the rapid growth of the ship-building business and of the fisheries, the opening up of a new trade with the West Indies, and the extension of the two allied occupa-

tions of rum-distilling and slave-trading, this difficulty quickly disappeared; and the capitalists of the towns found remunerative opportunities for investment. As to the country weaver, who might conceivably have grown into something like the west of England clothier, Adam Smith's remark that he would be far more likely to put his savings into land is true enough, and very pertinent. Accordingly, the state of affairs in the period 1715-60 was somewhat like this: the farmers' wives and daughters themselves spun the wool which they got from their own few sheep; many farm-houses had their own looms where, if the farmer or his servants were without the necessary skill or time, an itinerant weaver worked up the yarn into cloth; and then the farmer put a bundle of this cloth into his buggy and drove over to a neighboring fulling mill. If he was too poor to own a loom, he took his yarn to a weaver's cottage in the next village. Meanwhile the townspeople were all clad in English manufactures; the merchants and professional men liked them better, and, as all the towns were on the coast, the working classes got English stuffs more cheaply than they could have bought up-country woollens. Probably Emerson's "embattled farmers,"

"Who fired the shot heard round the world,"

were clad in American homespun; but it is more certain that Adams and Otis and Franklin wore English broadcloth. And so, "in general, the act of Parliament was well obeyed, since it carried no hardship with it in the eighteenth century."* It is an American economic historian from whom I quote.

The law of 1732 as to hats was the result of the alarm of the London Company of Hatters, who saw in their mind's eye thousands of American hats being shipped to England. There is a paper drawn up by Franklin in

* Beer, p. 81.

London at the end of 1767, in which he endeavors, as he puts it, to "palliate" certain recent proceedings in Boston which, he confesses, gave him "great concern," by a sympathetic account of what he alleges to be the American frame of mind. He represents the Americans as arguing that "there cannot be a stronger natural right than that of a man's making the best profit he can of the natural produce of his lands"; that "beaver furs are the natural produce of that country"; and "yet the hatters of England have prevailed to obtain an act in their own favor, restraining the manufacture of hats in America." This argument as to the natural right of a people to work up their own produce has been echoed by Bancroft and Mr. Lecky, and it is very telling; but they have taken Franklin too much *au sérieux*. He was careful, we may observe, not to commit himself. The argument is given in oblique oration; and Franklin hedges at the end by the ironical comment, "These are the wild ravings of the half-distracted Americans." I gravely doubt whether, as a matter of fact, the "half-distracted" Americans were "raving" to this effect. The argument is quite inconsistent with what we have already learnt as to the decay of the fur trade in the English colonies. And the truer impression is certainly that which Franklin himself gives in his pamphlet of 1760, before cited, that the hat-making industry had been brought to an end not by the pressure of law, but by economic causes.

It is true [Franklin then said] there have been, ever since the first settlement, a few hatters in New England, drawn thither probably at first by the facility of getting beaver while the woods were but little cleared and there was plenty of those animals. The case is greatly altered now. The beaver skins are not now to be had in New England, but from very remote places and at great prices. The trade is accordingly declining there; so that, far from being able to make hats in any quantity for exportation, they cannot supply their home demand; and it is well known that some thousand dozens are sent thither yearly from London, Bristol, and Liverpool, and sold cheaper than the inhabitants can make them.

Finally, we come to the iron industry. The statute of 1750 enacted that no mill or other engine for rolling or slitting iron, no plating forge to work with a tilt hammer, nor any furnace for making steel, should be erected in the colonies. This, I confess at once, is the one weak point in my argument. There were, perhaps, at this date, some half-dozen slitting mills in New England, and possibly two or three tilt hammers and two or three steel furnaces.* It cannot be denied that they would probably have enjoyed a certain moderate prosperity, and that they could readily get all the iron they needed from the southern colonies. Moreover, the act did cause them to be shut up. It can only be pleaded that, after all, it was not a large matter; and one might perhaps make something out of the fact that the owner of one of the largest of the slitting mills, so far from never getting over his grudge, was conspicuous a few years later as one of the leaders of the Loyalists.† Yet there is another side to the account, which, if it does not balance it, ought not to be quite forgotten. The same act favored American bar iron and pig iron by removing the duties to which they had hitherto been subject on importation to England, while leaving intact those on Swedish and other foreign iron. This was done for immediate political motives, in the hope of rendering England independent of foreign sources of supply; and also for mercantilist motives, to check the supposed drain of specie. But to the credit of the government it may be remarked that the concession was granted in the teeth of much opposition from English iron-masters and owners of woodlands, and even from farmers. The consequence of the removal of the duties was that in four years the quantity of colonial pig iron imported into England increased by one-half; and that it began, for the first time, to be profitable to carry over bar iron. But, unfortunately, while it was New

* Weeden, ii. 682.

† *Ibid.*, ii. 490.

England which chiefly suffered from the new restriction, it was Virginia and Maryland which profited by the new favor.

With the exception still to be dealt with, we have now come to the end of all the possible grievances; and we have seen how slender are the grounds for supposing that the measures in question did, to any notable extent, inflict real injury on the American colonies. But, as we have already seen in the case of iron, the action of the English government was not always of a restrictive character: it sometimes took the form of encouragement; and these two elements in English policy cannot be separated. Because it restricted, it felt bound to encourage; because it encouraged, it felt the more justified in restricting. This is strikingly illustrated by the efforts to promote the production of "naval stores," — of tar and pitch, of masts and hemp. These were enumerated in 1706; and, if the restriction had stood by itself, the colonies might conceivably, though this is very doubtful, have lost some small foreign sale for their masts. The other enumerated stores were not produced at that time in America of sufficiently good quality to attract a foreign demand. But in 1705 the English government definitely adopted the policy of offering a considerable bounty on the importation into England of all of these stores from the colonies; and, with but slight interruption, this policy was followed down to the end of the colonial period. One estimate makes the amount thus paid more than a million and a half pounds. Of course, the purpose of the government was not primarily the welfare of the colonies. It desired: (1) to make the British empire independent of foreign sources of supply for what were really munitions of war; (2) to circumvent the Stockholm Tar Company, which had obtained a monopoly of Baltic pitch and tar, had put up prices, and had excluded English ships from the trade;

(3) to prevent a supposed drain of specie from England; and (4) to enable the colonies to provide themselves with "returns," so that they should not be tempted to manufacture for themselves. But, after all, it did honestly and with reason believe that the industries in question were suited to America. It did take a world of trouble about investigating the whole subject, and about teaching the colonials better methods of preparing their tar,—how much trouble the recent monograph of Miss Lord of Bryn Mawr College, based upon unprinted English state papers,* has recently made clear to us,—and, finally, it did meet with a fair measure of success. The bounties on hemp and on masts had little effect, but the production of pitch and tar thrived exceedingly. In 1704 nearly 43,000 barrels of pitch and tar were imported into England from Sweden, something like 18,000 from the rest of Europe, and only 872 from the plantations. In 1718 the Swedish product was dispensed with, the supply from the rest of Europe had fallen to 10,000, that from the plantations had risen to 82,000 barrels. After that the increase was slower, but it did not cease. In 1770 the figures were, for pitch and tar, 103,000, together with 41,000 barrels of turpentine. The colonies which profited the most were the Carolinas, with their great pine forests. The industry was thoroughly suited to the physical conditions of the country; but it could not have maintained itself without some such assistance against the competition of Sweden; as was at once apparent when the bounties were temporarily withdrawn. Adam Smith remarks that the joint effect of the enumeration and of the bounties was to "encourage the clearing of land" in America, which he regarded as the great prerequisite to improvement. How far this may be true I should not like to say; but I may perhaps observe that, besides its effect on the Carolinas, the bounty policy must indirectly have

*E. L. Lord, *Industrial Experiments in the British Colonies of North America*, Johns Hopkins Studies, extra volume xvii., 1898.

benefited New England. Cheap tar must have contributed to the prosperity of ship-building and the commerce dependent upon it. I hasten to add, lest my orthodoxy should be suspected, that no general economic argument on behalf of bounties can be drawn from this experiment, since it was America that benefited and England that paid the price.

I have postponed to the end the one great exception, the one act which was altogether and unmistakably ill-advised, the one act which, had it been enforced, would have hampered American trade, or rather would have thrown it into complete confusion. This was the "Molasses Act" of 1733. By this act duties were imposed on the importation of sugar, molasses, and rum from foreign plantations—*i.e.*, from the foreign, and especially the French, West Indies—into any of the British colonies; duties high enough to be, and intended to be, prohibitory. But the act was easily evaded with the connivance of the customs officers, and no serious attempt was made to enforce it throughout our period.* When a little later it did become a practical grievance, it was as part of a quite new policy, which aimed, primarily, not at controlling trade, but at securing revenue.

The statement that the enforcement of the Molasses Act would have been disastrous calls for some explanation. New England, as we have seen, imported very largely fine manufactured goods from England. For these it had little of its own to send in exchange, but it could get molasses very cheaply from the French West Indies,—more cheaply than from the English, because the French islands could produce sugar at a lower cost; and, as they were prohibited from importing rum into France,

* Beer, pp. 131, 137, 138. Some of the legal difficulties placed in the way of the collectors of the ports by the local judicial authorities when an attempt was made to check smuggling may be seen in the New York case of the sloop "Mary and Margaret" in 1739. O'Callaghan, *Documents relative . . . to New York*, vi. 154; reprinted in Hart, *Am. Hist. told by Contemporaries*, ii. 249.

they had their molasses left on their hands. As a pamphleteer naïvely puts it, "Melasses was of little or no value to the French planter, because rum was detrimental to France, as interfering with the consumption of their brandy."* The molasses were converted into rum in the "still-houses," which sprang up from 1720 onwards in great numbers in New England.† The most thriving centre was Newport in Rhode Island, which had 22 distilleries. The rum was consumed in large quantities by the people of the New England States, especially by those engaged in the fisheries, to mitigate the hardships of their life; it was freely employed in barter with the Indians; but the larger part of the demand for it arose in connection with the slave trade. For thirty years Rhode Island sent some 18 vessels annually to the slave coast, carrying 1,800 hogsheads of rum; and Massachusetts was not far behind. The "rum-men,"‡ as the New England slavers were called, found that "a prime man slave" could be bought for about 110 gallons. An employer at home, in one case at least, instructed them: "Water your rum as much as possible, and sell as much by the short measure as you can."§ The West Indies and, increasingly as the century went on, Virginia and Maryland readily bought the black cargoes, and paid either in specie or in bills drawn upon tobacco exported to England. With these New England could pay its debts to the English manufacturer, and so "the circle of commerce" was complete. With justice did the Americans complain that to enforce the Molasses Act would cut the ground from beneath their feet. As it was not enforced, any further observations are perhaps superfluous. Yet observe that this one act, which, if enforced, would have had an effect on the course of affairs, was not passed to satisfy the clamors of any protected English interest, and cannot even be construed as a corollary of the mercantile theory

* Anderson, iii. 178. † Weeden, 459. ‡ Ibid., 462. § Ibid., 465.

of the balance of trade. It was passed for the sole benefit of other American colonies, though these were insular and not continental. By the strange irony of history, it was passed, we learn at last, mainly "at the instance of a Boston merchant who was interested in sugar-growing in the British West Indies." *

Our survey of English commercial legislation and of its probable effect, or, rather, absence of effect, upon the American colonies, is now complete. But a moment's reflection will show that the larger question of the effect upon the economic development of the colonies of their connection with the mother country cannot be answered from a consideration of the legislation alone. There were other large forces at work, outside and independent of all legislation. I can only touch on one of them. In his celebrated speech on American taxation, delivered in 1774, Edmund Burke, after noticing that the Americans had tolerated the system of commercial restraint, proceeds to give this explanation :

They were indemnified for it by a pecuniary compensation. Their monopolist happened to be one of the richest men in the world. By his immense capital (primarily employed not for their benefit, but his own) they were enabled to proceed with their fisheries, their agriculture, their ship-building (and their trade, too, within the limits), in such a manner as got far the start of the slow, languid operations of unassisted nature. This capital was a hot-bed to them. Nothing in the history of mankind is like their progress.

Evidence of English capital in American business meets us, indeed, at every turn. Thus an estimate of the year 1731 places the value of "the tobacco ships alone" at £240,000, "the greater part thereof, by far, being English-built, continually and constantly refitted and repaired in England." On this point Adam Smith agrees with Burke. In that Book III. of his treatise which is

* E. Channing, *Student's History of the United States*, p. 155.

so little read, he remarks that "the progress of our North American and West Indian colonies would have been much less rapid, had no capital but what belonged to themselves been employed in exporting their surplus produce." And, when we turn to his set argument against the colonial system, we find that his main position is not that it was bad for the colonies, but that it was bad for England, in that it sent into the direction of the colonial trade an undue proportion of her capital. This may or may not be true; but that it did attract a great deal of English capital can hardly be doubted. And, although the case is somewhat different to-day, as American railways and Argentina sufficiently demonstrate, undoubtedly in the eighteenth century capital to a very large extent followed the flag.

The English commercial legislation, I conclude, did the colonies no harm prior to 1760; and the English connection did them much good. Under these circumstances, it is no wonder the Americans were neither indignant nor restive. I know of no evidence, during the century under review, for Bancroft's "rankling hostility" or for Mr. Lecky's "political alienation" as "the inevitable consequence." Individuals here and there felt themselves hampered in their operations, and were naturally annoyed; but there is absolutely no evidence of any wide-spread irritation. When one reads Mr. Lecky, one thinks of a movement of popular thought comparable to the opposition to Laud's ecclesiastical policy or to the agitation which led to the great Reform Bill. But, when one comes to look into the American sources, one has to search very minutely indeed to find any reference to the restriction at all. The lawlessness produced by the half-smuggling molasses business did, in a sense, contribute to the Revolution, but it was a very minor element among many others: to be put by the side of the irritation of the New

Hampshire backwoodsmen at the attempts to enforce the claims of the crown to masts for the navy; to be put much below in importance the alarm which New England Puritanism felt before the anticipated inroads of the English Church. So far as I can see, the trade grievance was first formulated by Franklin. But the pamphlet in which he did so, that of 1767, already quoted, was hardly expected to be taken seriously; and even there the economic grievance was put on a level with grievances of another kind.* It was not till some years after the conflict had begun, when imagination was already playing tricks with memory, that the commercial restrictions were put in the foreground and represented as positively oppressive.†

The final assertion of Mr. Lecky that "the commercial restrictions made it to the interest of the Americans to dispense with English protection," you will have already gathered, is quite unsupported by evidence. A careful historian, Professor Coit Tyler, of Cornell, has recently said in print what has long been known, that "probably a vast majority of those who stood for the commercial interests and for the capital of the country" were opposed to the Revolution.‡ After the war was over, the economic condition of the country remained almost stagnant, if it did not retrograde: no more trade sprung up

*Even after all the friction of the years 1760-67, the London agent for Massachusetts, in a memorial to the English government concerning the commercial grievances, regards them as inferior in importance to the restraint which had been recently imposed upon the fisheries. "But the grand matter of Complaint is the Restraint laid on their Fishery, no American being suffered to take Cod in the Straits of Belisle, or on Labrador shore, and thereby rendering our new watery acquisitions entirely useless. . . . Your Memorialist takes the liberty to lay before your Lordship a few sentiments relating to the Fishery," etc. Printed in Hart, *American History told by Contemporaries*, ii. 415.

† Mr. Goldwin Smith has already remarked (*The United States*, p. 80) that the commercial and industrial grievances "are not put forward as a ground of revolt in the Declaration of Independence"; but he has not drawn the obvious inference.

‡ *Literary History of the American Revolution*, i. 58.

than before between the several States; no more manufactures were set on foot. Economically, the colonial period ends not with 1776 or 1789, but with the embargo of 1808, which brought entirely new forces into operation.

Holding as I do a professorship in an American university, it may perhaps have seemed somewhat ungracious on my part to destroy what is often regarded as part of the American case for the Revolution; but I am in excellent American company. The last ten years have seen the establishment of the first really critical school of American historians; and the outspokenness with which they have assailed some wide-spread historical superstitions does honor to their impartiality. In this particular matter the first distinct note of dissatisfaction with the current opinion was, I believe, struck in 1888 by that very competent Massachusetts antiquary, Judge Mellen Chamberlain. He has been followed by many of these younger scholars who are now being put in charge of departments of American history at the larger universities. It is very significant that in his *Student's History of the United States*, which seems likely to become a widely used text-book in the best high schools of the country, Professor Channing does not hesitate to lay down that "it is impossible to say that the system was to the disadvantage of the colonists." The work of such men evidently tends to promote a kindlier feeling between America and England; for, while they leave untouched the great principle of No Taxation without Representation, they remove the notion which has naturally created soreness, that for a century England was inflicting an actual injury upon the American colonies. It may be that the objects of the legislation must still be regarded as preponderatingly selfish, though as to that some qualification and charitable explanation will probably be necessary: it is a great thing to realize that no

harm was done. I have but summarized some of this recent historical work and arranged in order the conclusions to which it points; and for this reason. In the utterances of Englishmen concerning America, I do not know which has done more harm,—an ignorant contempt, unjust to America, or an ignorant sympathy, unjust to England. The latter is now, perhaps, the more common. Yet I cannot but hope that the efforts of American scholars to spread among their own people more accurate views of their past will not be impeded much longer by extravagant assertions on the part of Englishmen.

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